



CTED

**| Community, Trade and
Economic Development**

Community Economic Revitalization Board Biennial Legislative Report

December 1, 2008
Report to the Legislature
Juli Wilkerson, Director
Tom Trulove, Chair





2008 CERB MEMBERS



CERB members pictured from left to right - Front Row: Allen Brecke, Julie Tappero, David Burnett, Miland Walling, Michael Echanove.
Back Row: Representative Dan Newhouse, Drew Hansen, Tom Trulove, Marty Gardner, Mark Urdahl, Senator Brian Hatfield.

Governor Appointments

Tom Trulove,
Chair
 Cheney, WA
Economist

Marty Gardner,
Vice Chair
 Kennewick, WA
Large Business

Allen Brecke
 Kennewick, WA
Small Business

David Burnett
 Chehalis, WA
*Federally
 Recognized
 Indian Tribe*

Michael Echanove
 Palouse, WA
City Official

Drew Hansen
 Bainbridge Island, WA
Public Representative

George Raiter
 Kelso, WA
County Official

Julie Tappero
 Gig Harbor, WA
Small Business

Mark Urdahl
 Wenatchee, WA
Port Official

Lisa Wellman
 Mercer Island, WA
Small Business

Vacant:
 - *Small Business*
 Representative East
 of the Columbia River
 - *Large Business*
 Representative West
 of the Cascades

Legislative Appointments

Senator
Brian Hatfield
 Senate Majority
 Caucus

Senator
Mike Hewitt
 Senate Minority
 Caucus

Representative
Troy Kelley
 House Majority
 Caucus

Representative
Dan Newhouse
 House Minority
 Caucus

Agency Representatives

Russ Brubaker
 Senior Director of Tax
 Policy, Department
 of Revenue

Gary Kamimura
 Program Manager
 Employment Security
 Department

Elizabeth Robbins
 Transportation
 Planning Manager
 Department of
 Transportation

Larry Williams
 Assistant Director
 Department of
 Community, Trade
 and Economic
 Development

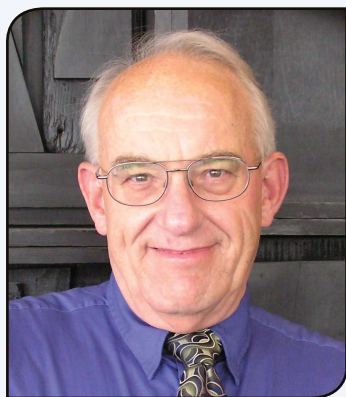
ACKNOWLEDGEMENTS

Washington State Department of Community, Trade and Economic Development

Juli Wilkerson Director	Larry Williams Assistant Director, International Trade and Economic Development Division	Matthew Ojennus Interim CERB Program Manager	Dawn Eychaner CERB Program Assistant	Jerri Smith JDF/LIFT Program Assistant	Mandalyn Mackey CERB Program Assistant
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Special thanks to the local government and port officials who provided project updates for this report.

MESSAGE FROM THE CHAIR



*Tom Trulove, Chair, Community
Economic Revitalization Board*

I am delighted to present the 2008 Legislative Report of the Washington State Community Economic Revitalization Board (CERB). This report summarizes CERB's investments in economic development infrastructure and the private business development, jobs and tax revenue generated as a result.

Positioned as a unique state resource, CERB responds quickly to local communities' emergent economic development needs and continues to spur job creation in our state's rural counties. I am proud that over the Board's 26-year history, CERB has helped to create more than 30,000 jobs for Washington families.

Over the past two years, while Washington has begun to feel the affects of the nation's economic downturn, CERB has received 42 applications for funding and invested \$21.8 million in some of our state's most economically challenged communities. This much-needed funding of local infrastructure improvements will support business expansion across our state, creating an estimated 3,030 jobs and more than \$396 million in private business investment.

Since 2006, every CERB dollar awarded leverages an average of \$18 in private funds invested in income-generating buildings and equipment, helping to strengthen and diversify local economies, particularly those experiencing high unemployment rates.

CERB has just concluded the 2008 Local Infrastructure Financing Tool (LIFT) competitive round. The Board feels the investments being made in these selected communities will show excellent future economic returns to the state.

Members of CERB are committed professionals who are passionate about economic development. The Board's record exemplifies this commitment, and the results are outstanding. On behalf of the Board, I thank you for your continued support and invite you to help us remain an effective financial resource in Washington's future economic development.

Tom Trulove, Chair
Community Economic Revitalization Board

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TRADITIONAL & RURAL PROGRAMS

Traditional and Rural Program Goals

- Encourage business and industry expansion and retention to provide stable employment
- Expand employment opportunities in economically challenged regions
- Strengthen the economies of areas with high employment by encouraging private capital investment and development
- Seek opportunities to leverage CERB funds with other public monies
- Encourage responsible local government investment in public facility projects by requiring a local match

Introduction

The Community Economic Revitalization Board (CERB) is a powerful statewide economic development resource administered by the state Department of Community, Trade and Economic Development (CTED). CERB is highly valued across the state due to the Board's commitment to:

- Rapid response to immediate business siting and expansion needs
- Assistance building feasible sites for future industrial development
- Financial support leading to the creation and retention of family-wage jobs
- Investments that act as a catalyst for private investment around the state

Since 1982, CERB projects have created development and expansion in areas where economic growth is desired. The Legislature created CERB to provide low-interest loans (and grants when appropriate) to help finance public facilities necessary to recruit, retain and expand businesses and industrial activity. Over the past 26 years, CERB has invested in 36 of Washington's 39 counties.

None of the loans issued by CERB have become delinquent. Over the past two years there have been no project terminations.

Return on Investment

CERB measures its investments' return through the creation and retention of permanent jobs, the private investment generated, new tax revenue and increases in the assessed value of land and buildings. CERB tracks the project's performance on these measures for five years after the completion of a CERB-funded public project. The Port of Sunnyside, City of Winlock and Port of Bremerton case studies on the following pages illustrate how CERB investments have helped industrial development and generated the desired returns.

From July 2006 through July 2008, CERB awarded funding for 40 projects in two urban counties and 18 rural counties. This \$21.8 million in investments by CERB represents an estimated 3,030 full-time jobs and more than \$396 million in private investment. The remainder of CERB's \$20 million appropriation is expected to be fully awarded to local projects by June 30, 2009.

A map of Washington state showing county boundaries and names. The map is color-coded by county: Clallam, Jefferson, Grays Harbor, Mason, Thurston, Pacific, Wahkiakum, Cowlitz, Skamania, Clark, Whatcom, Skagit, Snohomish, King, Pierce, Kittitas, Yakima, Klickitat, Okanogan, Chelan, Douglas, Grant, Adams, Franklin, Walla Walla, Columbia, Garfield, Asotin, Pend Oreille, Stevens, and Ferry. The map also shows major water bodies like Puget Sound and the Strait of Juan de Fuca, and major cities like Seattle and Tacoma.

- ## Jobs

performance measure for CERB since it represents investment in the community beyond the cost of the public project. Since 1982, CERB's investment of more than \$129 million in public facilities has led to private investment of more than \$2.5 billion. This is a return of \$19 in private investment for every dollar of CERB investment.

New Tax Revenue

In 2004, CERB started collecting data on the new tax revenue generated by CERB-funded projects. A total of 53 projects have reported the generation of more than \$34 million in annual state and local tax revenue. This represents, on average, \$642,675 in tax revenue for each project.

Changes for the CERB Program

The 2008 legislative session saw major changes to CERB's enabling legislation. Unless they are amended in the 2009 legislative session, the changes will take effect July 1, 2009. Second Substitute Senate Bill 6855 (Chapter 327, Laws of 2008) made far-reaching changes including:

- Updating the definition of rural counties to include counties with less than 100 persons per square mile or which are less than 225 square miles in size
- Replacing the existing business types that can be supported by CERB with a requirement that the new awards must be consistent with the state comprehensive economic development plan
- Allowing projects that do not have a committed business partner to be awarded not only in rural counties but also in Board-defined rural communities
- Permitting planning grants to be awarded on a statewide basis
- Requiring the expected median hourly wage of a project's created private sector jobs to exceed the county's hourly median wage
- Requiring that the Board consider whether health insurance will be provided for private sector employees and their families
- Requiring that the Board consider whether the public facility investment supports infill

and redevelopment of existing urban or industrial areas that are served by adequate public facilities

- Expanding the potential for the Board to fund projects in urban counties
- Changing the biennial report to include:
 - Cost per job for each project
 - Wages and health benefits associated with projects
 - Amount of state funds and total capital invested in projects
 - Number and types of businesses assisted by funded projects
 - Location of funded projects
 - Transportation infrastructure available for completed projects
 - Local match and local participation obtained
- Repealing the Job Development Fund

CERB will work closely with the Legislature, the Washington Economic Development Commission and CERB stakeholders to implement these changes and ensure the success of the program.

Quick Facts

Since its creation in 1982, CERB has

- Created and retained more than 30,000 jobs
- Leveraged more than \$2.5 billion in private investment
- Generated more than \$34 million in annual tax revenue

Sustainable Funding Needed

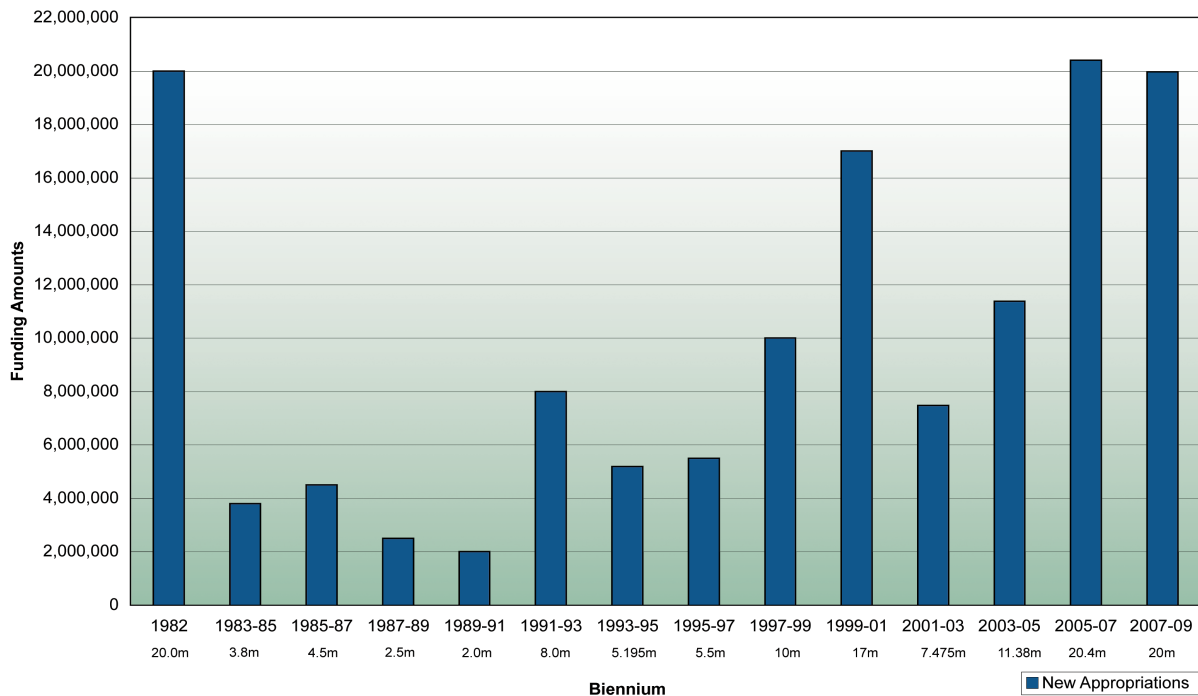
In the 2007-2009 biennium, four sources of revenue funded CERB project investments. Three of these are ongoing and deposited into CERB's dedicated account. These sources are:

- Repayment of CERB loans
- Investment earnings on cash balances in CERB's dedicated account
- Investment earnings on cash balances in the Public Works Assistance Account

The State Taxable Building Account provided the fourth source of funding.

During the 2007-2009 biennium, these four sources provided \$20 million for CERB to invest in projects. Revenue into CERB's dedicated account is expected to be \$6.3 million for the 2009-2011 biennium. Without additional funding, this represents a 68 percent reduction in funding that could be used to create jobs and generate private investment. This reduction represents the lost ability to create or retain more than 3,100 jobs and generate \$260 million in private investment. CERB hopes the program will be funded at a minimum of \$20 million for 2009-2011, and is supporting an increase to \$30 million to invest in Washington communities.

CERB Fund History



Eligible Projects

Traditional Program

CERB's Traditional Program is a statewide program that provides financial assistance to local communities. The financial assistance supports the creation of public facilities that foster the recruitment, retention and expansion of businesses. The Traditional Program requires the involvement of a private-sector business at the time of the local government's application. As part of the application, evidence must be provided that the private development is ready to occur and is contingent upon the approval of CERB funds for the public facilities.

Rural Program

CERB's Rural Program started in 1991 to assist communities affected by downturns in the timber industry. Over time, it has expanded to being an important economic development tool for all rural counties.¹ The Rural Program provides financial assistance for projects where there is no committed private sector business, but a feasibility study has been completed showing the viability of the project. Tourism development projects may also be funded through this program. The Rural Program also funds project-specific feasibility studies that determine whether a proposed economic development project will generate a benefit to the community, and planning and pre-development activities that will assist communities in meeting their economic development goals.

Applicants

Washington counties, cities, towns, port districts, special purpose districts, municipal corporations and quasi-municipal corporations conducting economic development activities may apply for CERB funding. Federally recognized Indian Tribes may also apply to CERB.

Private Sector Businesses

CERB funds publicly owned economic development infrastructure that results in the recruitment, retention or expansion of businesses in manufacturing, production, food processing, assembly, warehousing, industrial distribution, advanced technology, research and development, and recycling industries and businesses that substantially support the trading of goods and services beyond Washington's borders.

Public Facilities

CERB funds are invested in bridges, roads, domestic and industrial water facilities, sanitary and storm sewer facilities, rail spurs, telecommunications, electrical and natural gas distribution systems, general purpose industrial buildings and port facilities.

¹ Effective July 1, 2009, rural counties are defined as those with a population density of less than 100 persons per square mile or counties that are less than 225 square miles in size.

Case Study: Port of Sunnyside, Yakima County



The expanded Darigold WestFarm Foods facility

Economic Expansion in the Southeast Region

In 2003, the Port of Sunnyside was awarded a \$500,000 CERB loan for the construction of a Sequencing Batch Reactor (SBR) for the port's wastewater treatment plant. The SBR was needed for improvements to the treatment plant's aeration and sedimentation processes.

The port has a history of successful operations involving food processing businesses. The lower Yakima Valley economy is largely based on agriculture, and the bulk of the port's users create value-added agricultural products.

Wastewater treatment system improvements were critical in the port's retention of private food processing industries in Sunnyside; particularly Darigold WestFarm Foods and Johnson Foods.

Upgrades to the wastewater treatment plant increased the port's wastewater treatment capacity by 60 percent and allowed both Darigold WestFarm Foods and Johnson Foods to expand their operations significantly, creating a total of 86 new jobs and retaining 190 existing jobs to date.

Darigold WestFarm Foods

The port's increased wastewater capacity, made possible by CERB funding, supported the 2006

expansion of the Darigold cheese manufacturing facility in Sunnyside. This expanded facility, located within the Port of Sunnyside, manufactures 150 million pounds of cheese annually and ships out ten 40-foot trailer loads of cheese every day. Darigold has invested more than \$25 million in this private facility, and provides the Sunnyside community with employment opportunities that pay higher-than-average wages for the area.

Johnson Foods

Johnson Foods sells wholesale fresh and quick frozen vegetables and provides bulk storage and refrigerated warehousing for local produce.

Previously a seasonal employer, Johnson Foods

was able to expand its food processing operation to run year-round and has invested more than \$15 million in their private facility as a result of the port's CERB funding.

Growing Into the Future

In 2005, the Port of Sunnyside received a \$45,000 CERB grant to conduct a feasibility study on the best use of the port's 106-acre East Edison Industrial Park. Building upon the results of the 2005 study, CERB awarded the port \$810,000 in loan and grant funds in 2007 to finance infrastructure improvements to the park. These public facility improvements included road, water, sewer and utility infrastructure to prepare 14 parcels for future development. The port estimates these infrastructure improvements will be complete by December 2008.

"We appreciate assistance from CERB on projects that retain or produce good family wage jobs, as this very important project did. Without the CERB funding, this project could not have happened and critical family wage jobs in Sunnyside would have been lost."

— Amber Hansen, Executive Director, Port of Sunnyside

	Darigold WestFarm Foods		Johnson Foods	
	2003 Estimate	2008 Actual	2003 Estimate	2008 Actual
Jobs created and retained (in full-time equivalent jobs)	164	137	87	139
Private capital investment	\$2.5 million	\$25 million	\$500,000	\$15 million
Annual state & local taxes generated ¹	2003 Estimate: \$73,750		2008 Actual: \$460,000	

¹Property, B&O, Sales & Use, as applicable.

Case Study: City of Winlock, Lewis County



Cardinal Float Glass facility in Winlock

Economic Expansion in the Southwest Region

In 2005, the City of Winlock was awarded \$1 million in CERB grant and loan funds for water system improvements required to support a new facility for the Cardinal Float Glass Company.

Cardinal Glass Industries, the parent company for Cardinal Float Glass Company, has a facility located in Tumwater, Wash., which produces a high-tech coating for plate glass. Cardinal searched for a second suitable site in the region for several years before locating their new float glass production facility in Winlock.

Finding an adequate site for a float glass plant can be challenging. Float glass production requires a pit at least 35 feet deep that cannot have any groundwater intrusion. The Winlock site proved to be the only suitable site after an exhaustive nationwide search.

Because the land chosen was originally zoned for agricultural use, Cardinal Glass, Lewis County

and a host of state agencies invested two years to work through a difficult, and ultimately successful, process to establish a new Urban Growth Area within which the Cardinal facility is now located.

Cardinal Float Glass Company

Cardinal Glass Industries, the parent company for Cardinal Float Glass Company, was founded in 1962 and has been an industry leader in the development of durable insulating glass edge seal systems. They have also introduced significant thermal performance improvements to their residential glass. Nationwide, Cardinal has more than 4,000 employees at 22 manufacturing locations.

Growing Into the Future

Lewis County is beginning to transition away from a timber-based economy to a more diversified economic base. In 2005, when the CERB funds were awarded, Lewis County had a 9 percent unemployment rate. The Cardinal Float Glass facility has ensured a manufacturing sector employer for the local workforce and has created 220 needed family-wage jobs for the region.

This CERB project will act as a catalyst to future economic growth in the Winlock area due to the new water system resource that was developed. Annual state and local tax revenue

generated by this project is estimated to be nearly \$2 million.

"The newly constructed Cardinal Float Glass Company has provided approximately 220 jobs for the City of Winlock and surrounding communities. One of Winlock's visions for the future is to provide family wage jobs and housing for our local citizens. Cardinal is just the beginning of seeing the fulfillment of this vision. Since Cardinal's location to the Winlock area, there has been a great deal of interest from other large developers to locate here in Winlock."

— Cy Meyers, Mayor, City of Winlock

"Locating the Cardinal Glass factory in south Lewis County required significant expenditure on infrastructure. Every utility: water, natural gas, electricity and rail, had to be brought to the green-field site. The CERB funding was essential to making the Winlock plant location viable."

— Steve Smith, Winlock Plant Manager, Cardinal Float Glass

Cardinal Float Glass Company	Estimate in Application (2005)	Actual 2008
New jobs created (in full-time equivalent jobs)	226	220
Private capital investment	\$130 million	\$130 million
Annual state & local taxes generated ¹	\$2,079,296	\$1,742,000
Increase in assessed valuation of the area of the CERB investments	\$1.6 million	\$120 million

¹Property, B&O, Sales & Use, as applicable.

Case Study: Port of Bremerton, Kitsap County



Avian Aeronautics' new facility at the Port of Bremerton

Economic Expansion in the Puget Sound Region

In 2002, the Port of Bremerton was awarded a \$432,000 CERB loan to construct a 21,000 square foot aircraft hangar/maintenance facility for lease to Avian Aeronautics, Inc. Construction of the new port building was completed in June 2003.

Avian Aeronautics previously occupied a 6,000 square foot 1940s aircraft hangar on port property. The vintage building, past its service life and unable to be expanded, also encroached upon the Bremerton National Airport runway 19 Clear Zone. Due to the encroachment, the Federal Aviation Administration recommended the old building be moved or demolished. Without CERB assistance, Avian Aeronautics would have been forced to relocate their operations elsewhere, perhaps moving out-of-state.

"Avian Aeronautics had been a valued tenant for over 15 years and we wanted to keep them at our airport. Plus aviation jobs are unique and help diversify the local Kitsap economy that is heavily dependent on the military presence here."

– Ken Attebery, Chief Executive Officer, Port of Bremerton

Avian Aeronautics, Inc.

Avian Aeronautics has recently become the airport's full service Fixed Based Operator (FBO) and is growing into a regional aviation parts and supply distributor.

The aircraft hangar/maintenance facility has allowed the company to expand their business into flight services, flight training, car rentals, fuel sales and increased product sales and distribution.

Growing Into the Future

The Port of Bremerton expects that the new aviation maintenance facility will encourage increased private development on more than 1,200 acres available for lease on port property.

The proximity of the Bremerton National Airport increases the potential for industrial development on port lands, in addition to potentially increasing private development on outlying private lands.

As a result of Avian Aeronautics' expansion,

two jobs have been retained and 14 new jobs created to date. The annual state and local taxes generated as a result of this project averaged \$61,529 in 2007.

Avian Aeronautics	Estimate in Application (2002)	Actual 2008
New jobs created and retained (in full-time equivalent jobs)	13	16
Private capital investment	\$50,000	\$16,670
Annual state & local taxes generated ¹	\$25,970	\$61,529

¹Property, B&O, Sales & Use, as applicable.

Five-Year Project Tracking

- ◆ = Indicates no activity due to economic conditions
- ▲ = Indicates the recipient is working to complete construction of the public infrastructure project
- = Indicates the business is working to complete construction of the private facility

CERB Recipient	Approval Year	Project Type	CERB Loan	CERB Grant	Other Monies Leveraged	Project Total	Private Business/ Development Site	Estimated Jobs Created & Retained	Actual Jobs Created & Retained
Adams									
Port of Othello	2005	Feasibility Study		\$12,500	\$12,500	\$25,000			
Asotin									
Port of Clarkston	2007	Feasibility Study		\$50,000	\$25,000	\$75,000			
Benton									
City of Kennewick	2006	Feasibility Study		\$50,000	\$25,000	\$75,000			
City of Richland	2003	Road/Rail Spur	\$780,000	\$183,000	\$350,000	\$1,313,000	Ferguson Enterprises, Inc.	90	120
							Solaris Group, LLC		◆
Port of Benton	2005	Feasibility Study		\$20,000	\$20,000	\$40,000			
Port of Benton	2006	Feasibility Study		\$50,000	\$154,800	\$204,800			
Port of Benton	2007	Feasibility Study		\$50,000	\$25,000	\$75,000			
Port of Kennewick	2006	Feasibility Study		\$25,000	\$12,500	\$37,500			
Chelan									
Port of Chelan County	2000	Telecommunications	\$825,000	\$175,000	\$9,600,000	\$10,600,000	AgBASE, Inc.		5
							Genesis Distributing, LLC		4
							GCI Broadband Services		1
							Yahoo! Inc.		10

Continued on next page.

Five-Year Project Tracking, Continued

CERB Recipient	Approval Year	Project Type	CERB Loan	CERB Grant	Other Monies Leveraged	Project Total	Private Business/ Development Site	Estimated Jobs Created & Retained	Actual Jobs Created & Retained
Chelan									
Port of Chelan County	2005	Feasibility Study		\$31,000	\$44,373	\$75,373			
Port of Chelan County	2007	Feasibility Study		\$50,000	\$40,000	\$90,000			
Clallam									
City of Port Angeles	2004	Feasibility Study		\$25,000	\$18,750	\$43,750			
City of Port Angeles	2004	Feasibility Study		\$50,000	\$137,230	\$187,230			
Clallam County	2004	Industrial Building	\$750,000	\$250,000	\$1,157,550	\$2,157,550	ShoreBank Enterprise Cascadia		2
							Clallam Business Incubator	196	16
Cowlitz									
City of Longview	2006	Sewer/Wastewater	\$160,000	\$140,000	\$286,241	\$586,241	Tri-County Truss (Woodinville Lumber Co.)	99	43
Port of Longview	2001	Industrial Building	\$1,000,000		\$825,000	\$1,825,000	Brown-Strauss Corporation	31	40
Port of Longview	2004	Rail Spur	\$1,000,000		\$654,000	\$1,654,000	North American Pipe & Steel		51
Cowlitz County PUD #1	2006	Electrical	\$800,000	\$200,000	\$1,252,014	\$2,252,014	Cameron Family Glass Packaging, LLC	85	10
Douglas									
Douglas County	2006	Feasibility Study		\$50,000	\$25,000	\$75,000			
Port of Douglas County	2005	Feasibility Study		\$30,000	\$100,000	\$130,000			

Five-Year Project Tracking, Continued

CERB Recipient	Approval Year	Project Type	CERB Loan	CERB Grant	Other Monies Leveraged	Project Total	Private Business/ Development Site	Estimated Jobs Created & Retained	Actual Jobs Created & Retained
Grays Harbor									
Grays Harbor PDA	2006	Feasibility Study		\$50,000	\$73,500	\$123,500			
Grays Harbor PDA	2007	Building/Facilities	\$1,000,000		\$650,000	\$1,650,000	Satsop Development Park	70	▲
Grays Harbor PUD	2006	Biomass Generator	\$1,000,000		\$7,997,000	\$8,997,000	Grays Harbor Paper	240	214
Port of Grays Harbor	2004	Industrial Building Expansion	\$168,000	\$180,000	\$107,000	\$455,000	Westport Shipyards, Inc.	70	148
Port of Grays Harbor	2004	Feasibility Study		\$50,000	\$40,261	\$90,261			
Port of Grays Harbor	2007	Feasibility Study		\$50,000	\$153,000	\$203,000			
Port of Grays Harbor	2007	Feasibility Study		\$25,000	\$35,000	\$60,000			
Kitsap									
Port of Bremerton	2002	Industrial Building	\$432,000		\$2,587,317	\$3,019,317	Avian Aeronautics/Avian Flight Services	13	16
Kittitas									
Ellensburg Business Development Authority	2007	Industrial Building	\$800,000	\$200,000	\$250,000	\$1,250,000	Bowers Field Airport Industrial Park	50	▲
Klickitat									
Port of Klickitat	2002	Industrial Building/Water/ Sewer/Road	\$650,000		\$1,770,000	\$2,420,000	Insitu Group, Inc.	100	79
Port of Klickitat	2005	Building/Facilities	\$525,000	\$475,000	\$1,500,000	\$2,500,000	Insitu Group, Inc. (expansion)	14	31
Lewis									

City of Winlock	2005	Water Lines/Supply	\$775,000	\$225,000	\$3,651,696	\$4,651,696	Cardinal Glass Industries	226	220
Port of Centralia	2003	Water/Sewer/ Road/Rail Spur	\$800,000	\$200,000	\$1,681,233	\$2,681,233	Sierra Pacific Industries		142
Port of Chehalis	2004	Feasibility Study		\$45,000	\$37,205	\$82,205			
Lincoln									
NW Lincoln County Regional PDA	2007	Industrial Building/Water/ Sewer/Road/Rail Spur	\$458,089	\$487,714	\$290,652	\$1,236,455	Columbia BioEnergy, LLC	22	11
Mason									
Port of Shelton	2006	Water Lines/Supply	\$129,375	\$43,125	\$170,000	\$342,500	Belco Forest Products	59	53
Pacific									
Port of Ilwaco	2004	Dock	\$150,000	\$100,000	\$224,410	\$474,410	Tourism Business Development	10	8
Port of Ilwaco	2006	Electrical/Dock Improvements	\$120,000	\$500,000	\$154,666	\$774,666	Jessie's Ilwaco Fish Company	100	▲
Port of Peninsula	2004	Dredge Harbor	\$325,000	\$100,000	\$466,270	\$891,270	Coast Seafood	138	138
							Taylor Resources	21	17
							Wiegardt Brothers, Inc.	68	63
Port of Peninsula	2006	Building/Facilities	\$400,000	\$600,000	\$500,000	\$1,500,000	Northern Oyster Company	21	●
Pend Oreille									
Pend Oreille PUD #1	2004	Telecommunications	\$200,000	\$265,000	\$509,000	\$974,000	Kalispel Tribe Commerce Park	70	20
							Teck Cominco America	27	200
Skagit									
Skagit County	2005	Feasibility Study		\$15,000	\$30,000	\$45,000			

Continued on next page.

Five-Year Project Tracking, Continued

CERB Recipient	Approval Year	Project Type	CERB Loan	CERB Grant	Other Monies Leveraged	Project Total	Private Business/ Development Site	Estimated Jobs Created & Retained	Actual Jobs Created & Retained
Skamania									
Port of Skamania	2007	Feasibility Study		\$50,000	\$25,000	\$75,000			
Skamania County PUD #1	2005	Feasibility Study		\$50,000	\$85,000	\$135,000			
Skamania County PUD #1	2006	Water Lines/Supply	\$50,000	\$200,000	\$1,174,646	\$1,424,646	Carson Mineral Hot Springs Resort	41	15
Spokane									
Spokane International Airport	2005	Industrial Building	\$800,000	\$200,000	\$790,228	\$1,790,228	XN Air, LLC	62	36
Spokane International Airport	2006	Industrial Building	\$750,000	\$250,000	\$692,000	\$1,692,000	Absolute Aviation Services	26	20
							Empire Airlines	20	14
Stevens									
City of Colville	2005	Water Lines/Supply	\$381,000	\$148,000	\$710,567	\$1,239,567	Hewes Marine Company, Inc.	33	125
Thurston									
Port of Olympia	2006	Water Lines/Supply	\$1,000,000		\$303,679	\$1,303,679	Cardinal Coated Glass	55	7
Walla Walla									
Port of Walla Walla	2004	Industrial Building	\$750,000	\$250,000	\$1,753,310	\$2,753,310	Key Technology, Inc.	123	465
Port of Walla Walla	2005	Road	\$800,000	\$200,000	\$58,001,301	\$59,001,301	Railtex, LLC	148	82

CERB Investments by County 1982-2008

County ¹	Number of Projects	Est. Jobs Created & Retained	Actual Jobs Created & Retained ²	CERB Loan to Local Government	CERB Grant to Local Government	Other Public & Private Monies Invested in CERB Projects ³	Public Project Total
Adams	2	80	231	\$250,000	\$12,500	\$112,500	\$375,000
Asotin	3	164	153	\$128,500	\$225,000	\$1,174,550	\$1,528,050
Benton	12	1,120	744	\$2,778,296	\$1,715,510	\$5,975,440	\$10,469,246
Chelan	5	559	585	\$1,145,000	\$276,000	\$10,154,373	\$11,575,373
Clallam	12	1,054	569	\$3,250,000	\$1,316,031	\$7,004,922	\$11,570,953
Clark	8	3,145	3,650	\$4,972,523	\$3,266,522	\$2,541,719	\$10,780,764
Columbia	3	22	22	\$100,000	\$156,750	\$103,750	\$360,500
Cowlitz	13	1,749	999	\$6,627,680	\$1,090,000	\$28,358,519	\$36,076,199
Douglas	3	100	58	\$277,000	\$80,000	\$185,000	\$542,000
Ferry	3	190	313	\$354,600	\$2,360,030	\$3,948,908	\$6,663,538
Franklin	3	391	1,209	\$1,129,000	\$75,000	\$1,200,000	\$2,404,000
Garfield	4	64	60	\$276,000	\$251,342	\$928,111	\$1,455,453
Grant	21	1,821	1,716	\$7,913,694	\$2,230,100	\$24,601,675	\$34,745,469
Grays Harbor	26	2,512	1,800	\$5,758,600	\$3,177,500	\$22,008,281	\$30,944,381
Jefferson	1	268	95	\$750,000		\$5,693,500	\$6,443,500
King	2	567	391		\$1,340,482	\$317,832	\$1,658,314
Kitsap	3	413	278	\$1,343,000	\$155,400	\$7,471,317	\$8,969,717
Kittitas	3	70	18	\$1,225,000	\$525,000	\$4,384,500	\$6,134,500
Klickitat	9	865	794	\$2,877,264	\$3,100,852	\$11,694,424	\$17,672,540
Lewis	16	2,610	1,541	\$4,781,326	\$1,473,204	\$7,921,775	\$14,176,305
Lincoln	5	60	21	\$1,187,813	\$1,493,737	\$422,852	\$3,104,402
Mason	6	1,188	767	\$609,375	\$1,318,125	\$5,913,024	\$7,840,524
Okanogan	8	563			\$3,575,000	\$2,775,050	\$6,350,050
Pacific	15	994	902	\$2,061,000	\$3,385,343	\$4,351,595	\$9,797,938
Pend Oreille	4	1,500	1,743	\$1,080,905	\$1,161,405	\$1,256,303	\$3,498,613
Pierce	2	716	310	\$400,000	\$2,000,000	\$11,810,000	\$14,210,000
Skagit	14	2,570	3,172	\$4,537,856	\$2,880,725	\$9,767,958	\$17,186,539
Skamania	7	167	116	\$492,644	\$1,415,252	\$2,440,263	\$4,348,159
Snohomish	6	3,205	3,608	\$1,847,000	\$4,109,855	\$5,642,056	\$11,598,911
Spokane	3	246	70	\$3,250,000	\$750,000	\$2,432,228	\$6,432,228
Stevens	4	259	682	\$578,649	\$837,649	\$2,344,385	\$3,760,683
Thurston	3	100	64	\$1,136,000		\$313,679	\$1,449,679
Walla Walla	4	843	859	\$5,050,000	\$950,000	\$71,554,611	\$77,554,611
Whatcom	13	1,719	1,709	\$7,328,836	\$634,500	\$4,750,558	\$12,713,894
Whitman	7	671	491	\$1,620,065	\$950,000	\$4,313,279	\$6,883,344
Yakima	9	1,229	1,229	\$2,832,253	\$841,400	\$14,630,692	\$18,304,345
Grand Totals	262	33,794	30,969	\$79,949,879	\$49,130,214	\$290,499,630	\$419,579,723

¹ The CERB Program is available statewide, however CERB has not yet received applications for projects in all 39 counties.

² More jobs will be created in projects that have not yet fully matured.

³ Does not include funds invested by private business in the business facilities.

CERB Investments by Legislative District 1982-2008

Legislative District ¹	Number of Projects	Est. Jobs Created & Retained	Actual Jobs Created & Retained ²	CERB Loan to Local Government	CERB Grant to Local Government	Other Public & Private Monies Invested in CERB Projects ³	Public Project Total
6	3	246	70	\$3,250,000	\$750,000	\$2,432,228	\$6,432,228
7	20	2,522	2,759	\$3,201,967	\$8,152,821	\$9,815,948	\$21,170,736
8	10	1,046	665	\$2,653,296	\$1,165,510	\$5,721,940	\$9,540,746
9	16	979	935	\$2,274,565	\$1,438,842	\$6,528,440	\$10,241,847
10	1	51	31		\$374,000	\$164,919	\$538,919
12	12	709	643	\$1,422,000	\$1,631,000	\$11,270,923	\$14,323,923
13	24	1,891	1,734	\$9,138,694	\$2,755,100	\$28,986,175	\$40,879,969
14	3	239	237	\$1,044,039		\$1,424,750	\$2,468,789
15	22	2,022	1,902	\$5,158,122	\$5,357,504	\$27,340,629	\$37,856,255
16	12	1,330	2,169	\$6,404,000	\$1,731,750	\$73,111,861	\$81,247,611
18	12	1,445	3,333	\$5,880,203	\$1,428,522	\$10,151,938	\$17,460,663
19	32	2,840	1,761	\$7,632,600	\$4,579,843	\$33,935,054	\$46,147,497
20	16	2,610	1,541	\$4,781,326	\$1,473,204	\$7,921,775	\$14,176,305
22	3	100	64	\$1,136,000		\$313,679	\$1,449,679
24	25	2,672	1,549	\$6,266,000	\$3,214,031	\$24,795,369	\$34,275,400
26	3	413	278	\$1,343,000	\$155,400	\$7,471,317	\$8,969,717
29	1	75	60	\$400,000		\$10,000	\$410,000
31	1	641	250		\$2,000,000	\$11,800,000	\$13,800,000
34	1	90	60		\$280,000	\$200,000	\$480,000
35	9	1,458	1,062	\$2,190,375	\$1,568,125	\$6,989,199	\$10,747,699
38	3	2,050	2,829	\$1,547,000	\$4,076,370	\$4,959,100	\$10,582,470
39	5	1,443	779	\$400,856	\$355,210	\$1,105,681	\$1,861,747
40	11	2,231	3,141	\$4,437,000	\$2,185,000	\$9,180,314	\$15,802,314
42	13	1,719	1,709	\$7,328,836	\$634,500	\$4,750,558	\$12,713,894
47	1	477	331		\$1,060,482	\$117,832	\$1,178,314
49	3	2,495	1,077	\$2,060,000	\$2,763,000		\$4,823,000
Grand Totals	262	33,794	30,969	\$79,949,879	\$49,130,214	\$290,499,630	\$419,579,723

¹ The CERB Program is available statewide, however CERB has not received applications for projects in all 49 legislative districts.

² More jobs will be created in projects that have not yet fully matured.

³ Does not include funds invested by private business in the business facilities.

JOB DEVELOPMENT FUND (JDF) PROGRAM

JDF Program Goals

- Stimulate job creation and job retention through the construction of public facilities
- Enhance existing state economic development programs and funding through public facilities grants

Introduction

The Job Development Fund (JDF) Program was established by the Legislature in 2005 to provide grants for competitively selected public infrastructure projects that directly stimulate community and economic development. JDF projects must support the creation of new jobs or retention of existing jobs and immediate or prospective business development. The JDF Program was authorized through 2011. CERB was given the responsibility for administering the JDF Program and awarding grants, following the approval of the recommended projects by the Legislature.

In 2006, CERB collaborated with the Public Works Board and the Washington State Department of Community, Trade and Economic Development (CTED) to competitively solicit, evaluate and prioritize

JDF project applications for consideration by the 2007 Legislature. CERB received 64 applications requesting more than \$288 million. At the May 2006 CERB meeting, the Board recommended a prioritized list of 12 projects totaling \$49.5 million which were projected to create 6,998 jobs. This list was included in the CTED capital budget request for the 2007-2009 biennium, and was authorized in the signed capital budget. CERB is responsible for executing contracts, monitoring project progress and reporting local project performance outcomes to the Legislature.

Also in 2005, the Legislature identified a list of projects in the 2005-2007 Capital Budget which were to receive “Job/Economic Development Grants,” including some projects for military communities. Although the projects were not subject to the competitive selection criteria contained in the JDF statute, they are generally considered to be the legislatively selected first round of the program. The list was amended by the 2006 Legislature and reappropriated by the 2007 Legislature. In 2008, funding provided for the military communities projects was reduced from \$5 million to \$2.2 million.

The 2008 Legislature passed Second Substitute Senate Bill 6855, Chapter 327 Laws of 2008, which repeals the JDF statute effective July 1, 2009.

Job Development Fund (JDF) Awards 2007-2009		
Grant Recipient	Project	Grant Award
<i>Under contract and expending funds</i>		
Port of Ephrata	Industrial upgrade of port-owned rail spur and construction of industrial grade road to support a renewable energy equipment manufacturer	\$471,000
Grays Harbor PDA	Improvements to the Administration building, Turbine building and barge slip rehabilitation to support a manufacturing firm	\$5,053,000
City of Lacey	Infrastructure improvements to roadway structures in the Lacey Gateway area to support a mixed-use urban center and commercial and professional developments	\$9,912,000
City of Longview	Roadway construction, associated utilities and electrical substation in the Longview Mint Farm Industrial Park to support value-added forest products businesses	\$1,982,000
City of Wenatchee	Roadway reconstruction, utilities and work associated with construction of a publicly owned, multi-purpose events center supporting the redevelopment of the Wenatchee waterfront into mixed-use development	\$10,000,000
<i>Contract in process</i>		
Port of Anacortes	Pier 1 redevelopment to modernize and upgrade port marine terminal and upland infrastructure to support the expansion of a marine manufacturing firm	\$5,610,000
City of Gig Harbor	Infrastructure improvements to roadway structures at Burnham/Borgen interchange to support a new medical facility and medical profession/business park development	\$5,000,000
City of Tacoma	Construction of a publicly-owned technical and scientific services incubator to assist in the startup and growth of small businesses in this sector	\$250,000
<i>Working on contract pre-conditions</i>		
City of Kirkland	Reconstruction of roadway infrastructure at Totem Lake Mall to support professional office, medical and retail employment	\$3,000,000
City of Pacific	Road improvements on Valentine Road from 24th Street East (City of Sumner) to County Line Road (City of Pacific) to support industrial, commercial and/or business park development	\$4,946,000
Skagit County	Roadway improvements to support the expansion of an aerospace manufacturing firm	\$2,277,000
City of Soap Lake	Development of an interpretive center and spa/wellness center to retain local businesses and expand tourism-related development	\$1,000,000

Job/Economic Development Grants 2005-2008 ¹			
Grant Recipient	Project	Grant Award	Total Project Costs
<i>Under contract and expending funds</i>			
Port of Bellingham	Former Georgia-Pacific mill site redevelopment	\$2,000,000	
Port of Bremerton	Facility for alternative energy technology research	\$800,000	
City of Burien	Town Square infrastructure	\$2,000,000	
City of Carnation	Sewer infrastructure	\$2,000,000	
City of Covington	Transportation infrastructure	\$2,000,000	
Mason County	Belfair sewer system improvements	\$3,200,000	
Pacific NW Gigapop	Extend high capacity bandwidth to Spokane node	\$1,000,000	
City of Renton	Infrastructure for former Boeing facility site	\$5,000,000	
City of Richland	Pacific Northwest National Labs infrastructure	\$5,000,000	
City of Ridgefield	I-5 interchange replacement to facilitate land development in the Ridgefield Employment Center	\$2,000,000	
Southeast Effective Development	Public infrastructure to support mixed-use development	\$1,500,000	
Pierce County	Airspace protection for McChord Air Force Base	\$841,000	
<i>Contract in process</i>			
City of Everett	Stormwater facility development	\$1,500,000	
Spokane County	Airspace protection for Fairchild Air Force Base	\$200,000	
<i>Working on contract pre-conditions</i>			
City of Tukwila	Southcenter Parkway infrastructure improvements	\$6,000,000	
<i>Contract closed, project complete</i>			
City of Bremerton	Harborside area park and museum	\$4,000,000	\$7,108,445
City of Yakima	Sidewalk and lighting improvements in the downtown and historical business district areas	\$4,000,000	\$5,698,491
Grays Harbor PUD	Biomass generator project	\$1,500,000	
Port of Walla Walla	Washington farm produce transportation infrastructure Railex Project	\$1,000,000	
Department of Agriculture	Hops Initiative	\$500,000	
City of Oak Harbor	Airspace protection for Naval Air Station Whidbey Island	\$800,000	
Washington State Military Department	Modification of Hangar 1001 at Fairchild Air Force Base	\$481,000	

¹ These projects were included in the capital budgets for 2005-2008 and were not competitively selected by CERB. The contracts are administered by CTED.

Case Study: Port of Ephrata, Grant County



Wind turbine towers in the Katana Summit Ephrata production facility

Economic Expansion in the Eastern Region

In 2007, the Port of Ephrata was awarded a \$471,000 Job Development Fund grant for construction of an industrial/heavy equipment access road and repair of a 1.5 mile rail spur.

Construction of the new road was completed in July of 2007. The rail improvements are expected to be completed by the end of 2008.

Katana Summit, LLC., a manufacturer of wind generator towers, became a port tenant in May 2005. Katana Summit's decision

to expand their operations necessitated significant infrastructure improvements at the port. Roads leading to port property passed through city residential areas and school zones. Transporting the oversized tower sections through these areas posed safety concerns for the community and the increased cost of city street maintenance was problematic.

The need for reliable freight mobility required upgrades to the port's 60-year-old rail spur. Improvements to the 1.5 mile spur will allow the transport of tower sections measuring up to 60 feet long and weighing 160,000 pounds. The rail upgrades will ensure long term rail viability, saving Katana Summit an estimated \$3 million in shipping costs annually.

Katana Summit, LLC.

Katana Summit is a joint venture between the owners of Anacortes-based heavy steel-construction

company T Bailey, Inc. and the U.S. division of Sumitomo Corporation, a Tokyo-based corporation.

A leader in the growing wind-farm industry, Katana Summit fabricates wind turbine towers for manufacturers of wind turbine blade and generator units. At a production capacity of about 150 towers a year, Katana Summit is sold out of towers for 2008 and into 2009.

Katana Summit began production in an unoccupied hangar near the Ephrata airport, investing \$1.5 million in their private facility and bringing 70 new jobs with an annual payroll of \$2.7 million to this small rural community. Katana Summit invested

an additional \$10 million in 2006 to construct and outfit more than 101,000 square feet of production space. Rising transportation costs spurred their decision to expand and add fabrication of the tower subassemblies to their Ephrata facility.

This expansion created 80 additional jobs, adding more than \$2 million in

"This is the first major industrial project established in Ephrata. Due to the minimal tax base from a community of only 2,700 households, we could never have built the much needed infrastructure to support this without CERB's partnership. We now have a more diversified economy that provides real family wage jobs for generations to come."

– Mike Wren, Manager, Port of Ephrata

new wages to the local economy and providing their employees an average wage approximately 30 percent higher than the Grant County average. In addition, Katana Summit's expansion has brought much-needed economic diversification to a highly agriculture-oriented regional economy.

Growing Into the Future

The rail and road projects supported by CERB have not only contributed to the success of Katana Summit, but have laid the foundation for other businesses to locate at the port as a result of improved infrastructure and access to 200 acres of port land previously unreachable for development. This improved industrial access to the port has also significantly improved the safety of residential neighborhoods and school zones.

Katana Summit, LLC.	Estimate in Application (2006)	Actual 2008
New jobs created and retained (in full-time equivalent jobs)	110	154
Private capital investment	\$4 million	\$11 million
Annual state & local taxes generated ¹	\$185,292	\$219,994

¹ Property, B&O, Sales & Use, as applicable.

LOCAL INFRASTRUCTURE FINANCING TOOL DEMONSTRATION PROGRAM

LIFT Demonstration Program Goals

- Stimulate business investment and create jobs
- Redevelop brownfields and blighted areas in inner cities
- Lower the cost of housing
- Promote efficient land use

Introduction

RCW 39.102 established the Local Infrastructure Financing Tool (LIFT) Demonstration Program. On a limited demonstration basis, LIFT provides a new public infrastructure financing mechanism for selected local governments — three designated by the Legislature and others competitively selected by CERB.

The program allows each selected local government to take advantage of tax revenue generated by new private investment in a revenue development area (RDA) to help finance the cost of public infrastructure improvements designed to encourage economic development and redevelopment in that area.

The incremental increases in revenue generated in the RDA are used to pay principal and interest on general obligation bonds issued to finance the public improvements. The incremental revenue,

along with revenue from other local public sources that are dedicated to the payment of the bonds, is used as matching funds to earn state money that must also be used for payment of the same bonds. There is a limited capability to use LIFT revenue on a “pay-as-you-go” basis.

The state money earned is distributed through a locally applied sales and use tax that is credited against the state sales and use tax. Any local government seeking authority to impose the sales and use tax under LIFT must apply to CERB and be approved for a project award amount.

Nine awards have been made under the LIFT program. Three of these were legislatively selected projects: the City of Bellingham, Spokane County and the City of Vancouver. The cities of Bothell, Everett and Federal Way received awards from CERB in the 2007 competitive round. The cities of Mount Vernon, Puyallup and Yakima received awards in CERB’s 2008 competitive round.

Because of the structure of the program, none of the nine award recipients have any activity to report as a result of their LIFT award. None of the recipients yet have the authority to impose the necessary sales and use tax that creates the LIFT investment. The City of Bellingham will receive this authority on July 1, 2009; the 2007 award recipients will receive the authority on July 1, 2010; and the 2008 award recipients will receive the authority on July 1, 2011.

The City of Bellingham recently completed its base year for calculating state sales and use tax revenue. In the 2007 base year, Bellingham received \$314,096 from the city's local basic and optional sales and use tax. This is from taxable activity within the New Whatcom RDA. Additionally, in 2007, the state received more than \$2 million from the state sales and use tax

generated from taxable activities within the New Whatcom RDA. In future years, growth from this point in state sales and use tax revenue will determine part of the funding that Bellingham will receive through LIFT.

No competitive rounds are authorized beyond 2008.

LIFT Awards Statewide • 2006 - 2008

2006 awards 2007 awards 2008 awards ♦ Legislatively selected ● Competitively selected



Local Infrastructure Financing Tool (LIFT) Awards 2006-2009			
Applicant	Revenue Development Area (RDA)	Award	Award Amount
City of Bellingham	New Whatcom RDA	Legislatively selected	\$1,000,000 per year for 25 years
Spokane County	Spokane County River District RDA at Liberty Lake	Legislatively selected	\$1,000,000 per year for 25 years
City of Vancouver	City of Vancouver Riverwest RDA	Legislatively selected	\$500,000 per year for 25 years
City of Bothell	Bothell Downtown Revitalization RDA	Competitively selected	\$1,000,000 per year for 25 years
City of Everett	Everett Riverfront RDA	Competitively selected	\$500,000 per year for 25 years
City of Federal Way	Federal Way City Center RDA	Competitively selected	\$1,000,000 per year for 25 years
City of Mount Vernon	Downtown Mount Vernon RDA	Competitively selected	\$500,000 per year for 25 years
City of Puyallup	Puyallup RDA	Competitively selected	\$1,000,000 per year for 25 years
City of Yakima	Yakima RDA	Competitively selected	\$1,000,000 per year for 25 years

Case Study: City of Bellingham



Vision for the New Whatcom Waterfront Redevelopment

Economic Expansion in the Northwest Region

The New Whatcom Revenue Development Area (RDA), located in the heart of Bellingham's historic waterfront district, is the ideal site for a redevelopment project that balances environmental cleanup with urban revitalization goals. This project is the largest redevelopment undertaking in the history of Whatcom County and has broad community support.

The New Whatcom RDA will create a place where economic vitality, healthy natural resources, expanding marine habitat and community enjoyment of the waterfront have the opportunity to enhance each other rather than compete.

The New Whatcom Revenue Development Area

In 2005, the City of Bellingham and Port of Bellingham formed a partnership to redevelop 137 acres of heavy industrial property formerly occupied by the Georgia-Pacific Corporation. The former Georgia-Pacific land, combined with other port and city property located on the waterfront, forms a 220-acre planning area.

The city committed to construct the necessary public infrastructure and to create a regulatory

framework attractive to private investment. The port committed to undertake the environmental cleanup of its property and the Whatcom Waterway, build the necessary marine infrastructure, and provide the city with land for parks and public space.

Redeveloping Bellingham's central waterfront will provide ongoing benefits for all of Whatcom County, including:

- Promoting mixed-use housing and business development that will generate new family-wage jobs
- Preserving the county's limited agricultural and natural resource lands
- Reducing traffic congestion by providing housing and businesses in near proximity to one another
- Cleaning up environmental contamination to meet standards suitable for mixed-use development
- Facilitating the creation of valuable near-shore habitat for wildlife
- Allowing Western Washington University to expand academic programs
- Providing public access to the waterfront

"The City of Bellingham is committed to the thoughtful design of Bellingham's waterfront. Our partnership with the port focuses on the stewardship and timely implementation of the community's vision and values. The LIFT financing tool is an extraordinary instrument to achieve this shared vision of an environmentally and economically sustainable waterfront."

— Dan Pike, Mayor, City of Bellingham

Growing Into the Future

The LIFT financing tool is a critical component of funding the public improvements necessary to encourage private development within the RDA. The LIFT award is for \$1 million per year for 25 years, establishing a 2007 base year and 2008 measurement year.

It is estimated that the RDA will boost the local and state economies by generating:

- \$196 million in public investment
- \$880 million in private investment
- \$158 million in new state tax revenue
- 2,500 new jobs

RURAL ECONOMIC VITALITY (REV) PROGRAM

REV Program Goals

- Facilitate a rapid response to roadway improvements for emerging economic opportunities in rural counties and specified urban pockets of poverty
- Support direct and future job creation and retention by business
- Improve freight mobility

Introduction

CERB, the Washington State Department of Community Trade and Economic Development (CTED) and the Washington State Department of Transportation (WSDOT) have collaborated on the Rural Economic Vitality (REV) Program since 1999. Between 1999 and 2001, CERB awarded \$65 million in federal funding to 42 economic development-driven transportation improvement projects in 18 rural counties and three state Community Empowerment Zones. More projects cannot be approved without additional federal REV funds

becoming available. This report provides an update on progress made by local grant recipients toward completing their REV projects. The projects benefit cities, counties, ports and tribes and are expected, over time, to leverage \$65 million in other funding and create 11,525 short- and long-term jobs. Projects have achieved 86 percent of estimated jobs and report 9,920 actual jobs have been created.

WSDOT retains administrative authority for the projects. They report 34 of the projects have been completed. The remaining projects are at various stages of implementation. Many of them have completed design and engineering phases and have initiated construction.

CERB continues to track REV projects from an outcome and benefit standpoint. As part of the CERB biennial reporting process, REV recipients are asked to report job outcomes and update amounts of other funds leveraged for the public investment for five years after the public project construction is complete.

Rural Economic Vitality Program Five-Year Project Tracking

- ◆ = Indicates jobs counted in CERB report to prevent double count where REV and CERB funds are combined for same project area
- ▲ = Project is working to complete transportation project construction
- = Did not respond to CERB request for actual jobs created

County	Recipient	Project	Est. Jobs	Actual Jobs	REV Funds	Total Funds	Anticipated Outcomes
Benton	Benton County	Interlie I-82 to SR-397 Improvements	60	●	\$1,492,000	\$11,894,000	Job retention among existing businesses / improved freight mobility / safer rail bypass
	City of Kennewick	Gage Boulevard & Center Parkway	505	700	\$2,016,000	\$5,090,000	Job creation via improved access to industrial and commercial sites / improved freight mobility
	City of Prosser	Wine Country Road Improvements	◆	◆	\$5,370,365	\$14,800,055	Job creation via agribusiness expansions / improved freight mobility
Clallam							
	City of Sequim	Downtown Commercial Core Improvements	40	812	\$3,442,800	\$3,922,800	Job creation and retention by maintaining businesses in the downtown core
Cowlitz							
	Port of Longview	International Way Improvements	469	141	\$473,155	\$775,719	Job creation and retention via manufacturing expansions and improved freight mobility
Douglas							
	City of East Wenatchee	Wenatchee Valley Mall Central Business District Street Improvements	491	761	\$4,335,000	\$7,833,000	Business expansion via improved freight mobility / increased connectivity to central business district

Continued on next page.

Rural Economic Vitality Program Five-Year Project Tracking, Continued

Kitsap						
Kitsap County Transit (CEZ)	Bremerton Transportation Center	159	180	\$3,300,000	\$3,715,029	Business and job retention / CEZ redevelopment via improved link-ages to waterfront and downtown
Kittitas						
Kittitas County	Bowers Road and Industrial Park Road	264	8	\$1,977,500	\$3,682,000	Job creation and retention through manufacturing / commercial business expansions
Klickitat						
City of Bingen	Downtown Bingen Revitalization	◆	◆	\$735,450	\$1,905,537	Job retention and creation via downtown commercial develop-ment, improved access to industrial sites and enhanced freight mobility
City of Bingen	SR-14 and Local Road Improvements	◆	◆	\$2,514,550	\$4,439,550	Job creation and retention through manufacturing business expansion and development and tourism development
Lincoln						
City of Davenport	Monroe & 8th Streets/Fitness Lane Improvements	12	19	\$1,270,763	\$1,479,590	Job creation through agribusiness expansion and retention

City of Harrington	Sherlock Street Reconstruction	30	●	\$518,750	\$600,000	Job retention for agribusiness / safety and freight mobility improvements
Pacific						
City / Port of Ilwaco	First Avenue and Howerton Way S.E. Improvements	◆	◆	\$1,688,511	\$1,952,036	Business development and expansion via improved access and linkage to port and downtown properties
City of Raymond	Business Loop Upgrade	73	228	\$1,075,000	\$1,660,000	Job creation and retention through manufacturing, commercial and retail business expansion and development
Skagit						
City of Burlington	Goldenrod Road and Bridge Improvements	380	164	\$1,049,468	\$1,946,987	Job creation and expansion of commercial businesses and freight mobility improvements
City of Sedro-Woolley	F&S Grade Road & Skagit Industrial Park Improvements	645	▲	\$363,300	\$420,000	Job creation and retention through manufacturing business development
Skagit County	Casino Road Reconstruction	464	297	\$400,000	\$578,497	Business and job expansion via loop to connect tribal waterfront development
Town of Concrete	Main Street Reconstruction	36	32	\$312,900	\$1,900,000	Job creation and retention through manufacturing, retail, commercial and tourism business development

Continued on next page.

Rural Economic Vitality Program Five-Year Project Tracking, Continued

Skamania						
City of North Bonneville	Cascade Drive Improvements	45	129	\$417,675	\$482,861	Job creation via linking commercial and industrial development sites to SR-14
City of Stevenson	SR-14 Couplet Improvements	31	●	\$1,049,827	\$1,266,418	Job creation via manufacturing, retail, commercial and tourism business development
Whatcom						
City of Ferndale	Rural Avenue and Sunset Road Improvements	290	136	\$2,176,340	\$2,521,000	Business development and retention, plus improved freight mobility to Cherry Point and Port of Bellingham's airport properties
City of Lynden	West Main Street Improvements	144	250	\$880,000	\$1,564,000	Job creation via manufacturing business expansion and development
Yakima						
City of Yakima	Washington Avenue Industrial Expansion	500	300	\$2,361,905	\$3,005,337	Job creation and retention via industrial business development and expansion
Port of Sunnyside	Midvale Road Improvements	65	21	\$3,136,912	\$4,363,912	Job creation via manufacturing and agribusiness development and expansion, plus improved freight mobility
Total		4,703	4,178	\$42,358,171	\$81,798,328	



**Washington State Department of Community,
Trade and Economic Development
International Trade and Economic Development Division**
128 10th Avenue SW
P.O. Box 42525
Olympia, WA 98504
www.cted.wa.gov/cerb

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